MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

BAB1014 – FINANCIAL ACCOUNTING FOR MANAGERS

(All sections / Groups)

02 MARCH 2018
3.00 p.m – 5.00 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 5 pages with 4 Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Part A

At the beginning of the year 2017, SRI Sdn Bhd showed a balances of Bank account RM20,000; Accounts Receivable-James RM5,000; Accounts Payable-Arny RM10,000 and Capital account RM15,000. The following transactions were completed during January 2017.

Jan 3	Issue cheque as a settlement of Accounts Payable-Arny
Jan 4	Bought goods from Amy RM1,500, terms 1/10, n/30.
Jan 5	Paid freight on goods purchase from Amy, RM100.
Jan 7	Sold goods to Hash & Co. on credit RM900, terms n/30.
Jan 12	Return goods due to wrong order worth RM100 to Amy.
Jan 13	Purchased goods from Aus Ent. RM1,000. Give cheque on the same date.
Jan 14	Paid Amy with cheque in full.
Jan 16	Purchased goods from Juanna & Co. RM2,200, terms 2/10, n/60.
Jan 17	Received refund by cheque of RM100 from Aus Ent for damaged goods that was returned.
Jan 18	Paid freight on good purchase from Juanna & Co. purchase RM50.
Jan 19	Sold goods to Messy Sdn Bhd RM3,000, terms n/30.
Jan 20	Received cheque from Hash & Co. in settlement of their accounts.
Jan 21	Paid Juanna & Co. in full.
Jan 27	Goods worth RM1,000 return by Messy Sdn Bhd due to not following the specification.
Jan 30	Received payments from Messy Sdn Bhd in settlement of their account.
Jan 31	Accounts Receivable-James agreed to converted into 10% Notes Receivable since he need more time to settle the debt.

Required:

(a) Journalise the January transactions.

(17 Marks)

(b) What is the balance of the company's bank account at the end of the month?

(5 Marks)

Part B

Accounting equation consist of Assets = Liabilities + Owner's Equity. Briefly explain each of the classification.

(3 Marks)

Total: 25 Marks

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QUESTION 2

Abu Samah, the owner of Abu Samah Ent. found out that the balance of bank account and cash book prepared by her bookkeeper is not tally.
Given below are the Bank Statement and Cash Book (Bank column only) of Abu Samah Ent. for the month of July 2017

Cash Book

Date	Details	RM	Date	Details	Check No.	RM
2017			2016			
July			July			
1	Balance b/d	9,000	4	Miscellaneous	658594	580
3	Sales	4,550	7	Insurance	658595	1,200
8	Commission	750	16	Purchases	658596	1,050
17	Apa Shop	250	20	General Expenses	658597	565
25	Puteh	680	27	Ariff Ent.	658598	1,850
29	Mentol	450	29	Amy Ent.	658599	780
30	Mun & Co.	950	31	Balance c/d		10,605
		16,630				16,630

Bank Statement of Abu Samah Ent. for July 2017

Date	Details	Cheque No.	Debit	Credit	Balance
2017			RM	RM	RM
July 1	Balance				9,600 CR
2	Cheque	658590	600		9,000 CR
5	Deposit	315467		4,550	13,550 CR
6	Cheque	658594	580		12,970 CR
8	Deposit			750	13,720 CR
9	Cheque	658595	1,200		12,520 CR
18	Cheque	658596	1,500		11,020 CR
19	Local clearance cheque	145698		250	11,270 CR
20	Dividend-DEV Enterprise			270	11,540 CR
25	Standing Instruction		500		11,040 CR
30	Cheque	658597	565		10,475 CR
31	Bank Charges		20		10,455 CR

Additional Information
1. The value of cheque no. 658596 has been wrongly stated in the cash book
2. Mentol's cheque which has been deposited on 29 July 2017 has been returned by bank

Required:
You are required to prepare the Adjusted Cash Book and Bank Reconciliation Statement as at 31 July 2017 to prove to Abu Samah why the balance is not tally.

Total: 25 Marks

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QUESTION 3

Aus Ent. is a business which buying and selling stationeries. The following balances were extracted from the books of Aus Ent. as at 31 December 2017.

Items	Debit (RM)	Credit (RM)
Sales		1,000,000
Bank	170,000	
Cash	70,500	
Capital		772,500
Purchases	650,000	
Office equipment	1,000,000	
Loan from MBM		100,000
Fixed deposit	60,000	
Carriage Inwards	65,000	
Inventory as at 1 Jan 2017	100,000	
Return	10,000	20,000
Utilities Expense	16,500	
Account Receivables and Payables	200,000	150,500
Accumulated Depreciation Office Equipment		300,000
Salaries Expense	48,000	
Rental Income		60,000
Advertising Expense	30,000	
Allowance for doubtful debt		2,000
Notes Payable		15,000
	2,420,000	**2,420,000**

Additional Information

1. The inventory as at 31 December 2017 was valued at RM 80,000.
2. Allowance for doubtful debt is to be adjusted to RM2,500.
3. Company's policy is to depreciate its fixed assets as follows:
   Office equipment: 10% on straight line method.
4. Interest on loan is 5% per annum. Loan from MBM was taken on 1st October 2017.
5. Advertising expenses is for the events include RM5,000 which will be held in year 2018.

Required:

a) Prepare Statement of Comprehensive Income for the year ended 31st December 2017 (10 marks)

b) Prepare Statement of Financial Position as at 31st December 2017 (15 marks)

Total: 25 marks

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QUESTION 4

PART A

The owner of JHR Trading want to evaluate their business. The financial statements of JHR Trading, for the year ended December 31, 2017 and 2016, are presented as below:

JHR Trading
Statements of Financial Position as at Dec 31

	2017	2016
Assets	RM	RM
Intangible and other assets	960,500	950,300
Property, plant and equipment(net)	890,200	64,700
Investments	50,000	50,000
Current assets :		
Prepaid expenses and other current assets	100,000	50,000
Inventory	80,500	40,500
Account Receivable (net)	120,000	80,500
Cash	10,500	5,000
Total assets	2,211,700	1,241,000
Equity and Liabilities		
Capital	411,700	341,000
Non-current liabilities	1,000,000	500,000
Current liabilities	800,000	400,000
Total equity and liabilities	2,211,700	1,241,000

JHR Trading
Statements of Comprehensive Income
For the Year Ended Dec 31

	2017	2016
	RM	RM
Sales revenue	580,000	650,400
Cost and expenses		
Cost of goods sold	350,400	476,300
Selling and administrative expenses	57,600	34,000
Interest expense	5,900	4,100
Total cost and expenses	413,900	514,400
Income before income taxes	166,100	136,000
Income tax expense	98,600	85,000
Net income	67,500	51,000

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Required:

a) Compute the following ratio for 2017 and briefly explain your answer
   a. Current ratio
   b. Inventory turnover
   c. Return on assets
   d. Debt to total assets

(19 marks)

b) Prepare a horizontal analysis of the above Statement of Comprehensive Income ONLY for year ended 2017. Show the appropriate percentages with no decimal points.

(6 marks)
Total: 25 marks

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